

North Dakota Organics Advisory Board meeting

July 14, 2009 – 1 p.m. MT – Dickinson, ND

The meeting was called to order by Chairman Brad Brummond and roll was called.

Board members present were: Brad Brummond, David Podoll, Christina Dockter, Grayson Hoberg, Ernie Hoffert, Lowell Kaul, Keith Kadrmas, Anne Ongstad, Chuck Gustafson, Betsy Perkins and Donna Hines.

Board members absent: Britt Jacobson, Kevin Kvamme, Scott Sinner, Kayla Pulvermacher

Guests present: Sue Balcom, North Dakota Department of Agriculture; Janet Jacobson participated by phone. Chuck Fleming, North Dakota Department of Agriculture, also participated by phone.

Hoffert moved and Kadrmas seconded the approval of the agenda. Motion passed.

Kadrmas moved and Kaul seconded the motion to approve the minutes of the Feb. 5, 2009, meeting as printed. Motion passed.

FINANCIAL REPORT

Chuck Fleming gave the financial report by phone.

Total expenses through Feb. 4 were \$24,834.28. Expenses from Feb. 5 through June 30, 2009:

February board meeting	\$1,347.50
Printing	128.61
Web site	\$97.50
Dickinson Organic Field Day sponsorship	2,000.00
Consultant contract	2213.33
TOTAL EXPENSES	\$30,621.22

Fleming reported the board was slightly over budget. He also noted the contract with Janet Jacobson ends and hopefully can be renewed without a request for proposals.

There has been \$30,000 budgeted for the next biennium in general marketing services. The question remains if the North Dakota Department of Agriculture (NDDA) will allocate that money to marketing services. For planning purposes, Fleming said plan on that amount.

Grayson asked about estimates to keep up the organics website and exhibit at trade shows.

Fleming said he included two trade shows in the agenda. He said someone needs to develop the web especially the buy/sell page. Jacobson receives \$60 an hour for her services and Fleming recommended \$5,000 for the next two years. The cost would depend on how fresh or aggressive the group wanted to be on a limited amount of money. He suggested a number should be decided today.

Brummond recapped the budget and so far there has been \$12,000 earmarked for the board meetings, \$5,000 for a contract with Jacobson, and \$13,000 remaining for the rest of the biennium including the cost of doing trade shows.

Kaul moved and Hoberg seconded the motion to approve the financial report as submitted. Motion passed.

BOWDON LOCKER PLANT UPDATE

Fleming gave an update on the Bowdon locker plant. Consultant Neil Doty did a study on the plant and concluded the current closed plant in Bowdon is not adequate for remodeling and a new facility will need to be constructed. Doty was positive that the supply of animals would not be an issue with the proposed size of the plant. There is no interest in hog slaughtering and minimal interest in deer slaughtering. In the report, the response to organic processing was positive with survey answers being an absolute yes or absolute no with certified processing. Doty concluded in his report, if Bowdon proceeds with the plan the community should pursue with organic certification. It would be a great niche market.

The capital requirements for the plant would be \$250,000 to \$300,000 and a bank would require 60 to 70 percent equity. There's also the issue of a manager for the plant.

Kaul added the need for another organic processing plant was fortified with comments from an organic plant in Montana. There's also a plant in Howard, SD.

Hoberg asked about the number of animals the plant could handle.

Fleming said Doty could answer that question but thought there would be cattle in excess of what the plant could handle. One concern was moving from custom slaughtering to cuts that could be direct marketed and also a campaign to market to the younger generation.

Discussion continued with an update on the prospects for the Harvey plant. There were two interested buyers, one moved on. The other, a horse processing plant, has come up against PETA and its fight to make horse processing illegal.

There's also competition from the plants that use the offal for pet food and do the processing free, something we need to deal with in North Dakota.

The question becomes how to market the meat.

Involvement in the Bowdon plant was discussed.

Fleming suggested writing a statement in regard to assistance contingent on the community of Bowdon moving forward.

Brummond said it would also depend on the budget.

ORGANIC REIMBURSEMENT PROGRAM

Jeff Knutson of the NDDA had been handling the organic reimbursement program, but has left the Department. Tom Silbernagel, the head of NDDA Ag Mediation, has been assigned that duty and there is no report at this time.

Fleming reported there was money available and the group should encourage producers to apply. The deadline for the 50/50 matching funds is September 2009.

MAPPING LANDS

Fleming gave an update on the importance of mapping organic lands. Some discussion ensued.

NEW BUSINESS

USDA COMMENTS ON PROPOSED AMENDMENTS TO CROPS AND PROCESSING OF ORGANICS

Dockter said they have been studying the documents and felt the board did not need to address any of these issues individually.

Discussion was held on how to approach the subject. Most members felt they could not speak to the issues because they were not experts on parts of the study. However, it was decided to not wait until agriculture standards were diminished, but make a statement to the (for the) NDDA Agricultural Commissioner that reads:

*“We are generally opposed to the inclusion of; addition of;
or use of non-organic – synthetic or non-synthetic –
substances in organically processed foods.”*

COMMITTEE STRUCTURE

To allow board members to sit on more than one committee, the five committees were organized into two groups – A and B. The groups will meet at different times and the board members were assigned as follows:

CONSUMER, RETAIL, EDUCATION – A

Members are: Betsy Perkins, Britt Jacobson (chair), Brad Brummond, and Christina Dockter/Marlene Ells.

PROFESSIONAL DEVELOPMENT – B

Members are: Brad Brummond (chair), Christina Dockter/Marlene Ells, Britt Jacobson, Frank Kutka, and Donna Hines.

PROCESS, PRODUCER MARKETING – A

Members are: Grayson Hoberg, Kevin Kvamme, Scott Sinner, Lowell Kaul, Donna Hines, and Ernie Hoffert.

WEED CONTROL – A

Members are: David Podall, Chuck Gustafson, Keith Kadrmas, and Blake Schaan.

LIVESTOCK – B

Chuck Gustafson, Lowell Kaul, Anne Ongstad (chair), Grayson Hoberg, and Keith Kadrmas.

TRADE SHOWS

After some discussion, it was decided to participate in the KMOT show in Minot; share a booth with local foods at the grocer's convention in January; and alternate years between the Farmers Union and the Farm Bureau annual meetings.

It was decided to spend \$4,000 for the four shows over the two-year biennium. The group will commit to the Farmers Union conference this year and Farm Bureau in 2011.

MISCELLANEOUS

Brummond gave a brief chairman's report.

Balcom gave a short summary of the Local Foods initiative.

WEB SITE UPDATE

Janet Jacobson gave an update on the status of the web site. The Board felt that the web site was important to continue to update and maintain. Some immediate issues identified were the empty pages when you clicked on the buttons and the old events listings.

The board discussed ideas such as adding news, a calendar, photos, and profiles to add interest. It was decided that the following things should take place:

1. Expand "Home" page. Include "News about Organic"
2. Change "Classifieds" from "no ads currently available" to "Under Construction" and clean up template.
3. Add a "Retail" section to the directory page where grocers and other retailers could list their business and products available.
4. Add ability to fill out the directory listings online. Add instructions and button on "Directory" page.
5. Check into Des Moines site which lists parity prices and link it to parity price page.
6. Get estimate from web designer about cost to add these pieces to site so Board has an idea what this is going to cost.

The challenge was the cost. Kaul suggested an updated parity pricing page. Brummond suggested linking to another website for that feature.

A listing was discussed to provide a link to stores that carry organic products. The task appears to be overwhelming. Brummond said it could be a voluntary program and input could be interactive to cut down on work.

Discussion was held on renewing Jacobson's contract at \$60 with \$5,000 allocated for the next biennium.

STATUS ON ORGANICS

Jacobson also presented a new brochure with updated organic statistics, but said the data was hard to come by and could use some more work.

She said it would cost from \$1,000 to \$1,500 to complete the numbers with the NDDA printing it in-house.

Hines reported that Northern Plains Sustainable Agriculture Society has submitted a grant proposal with farm business management to do a three-year research study on organic profitably. This would provide some good numbers. Hoberg called attention to a new USDA publication "Emerging Issues in Organic Agriculture". Hoffert questioned the validity of some of the statistics in our "Brochure" especially as regards organic flax production.

The board voted to approve \$1,500 to finish the project.

ELECTIONS

Brad Brummond was unanimously elected chairperson of the board.

Britt Jacobson was unanimously elected vice-chairperson of the board.

APUC

Discussion was held on applying for matching APUC money to maximize the \$30,000 budget. It was decided to move ahead with discussion on this grant and be ready for the next round of applications in January 2010.

FINANCES

The board will submit to the North Dakota Agriculture Commissioner the following budget:

BUDGETED	\$30,000
Board meetings	\$12,000

Web site updates	5,000
Organic Statistics updates	1,500
Trade shows	4,000
Balance	\$7,500

Hoberg suggested the following statement be included in the budget to the commissioner:

*“The remaining \$7,500 will be allocated
as we find opportunities to further the organics industry.”*

Commissioner recommendations include the statement on organics and the budget.

The next meeting was set for Wednesday, Oct. 28, 2009, in Jamestown – details to be provided in the near future.

Motion to adjourn, seconded. Meeting was adjourned at 4 p.m. MT.